

Message Text

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61

ACTION EB-07

INFO OCT-01 ISO-00 AF-06 ARA-06 EA-06 EUR-12 NEA-09 RSC-01

IO-10 AEC-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00

DODE-00 FPC-01 H-01 INR-07 INT-05 L-02 NSAE-00 NSC-05

OMB-01 PM-03 SAM-01 OES-03 SP-02 SS-15 STR-01 TRSE-00

FRB-03 FEA-01 AGR-05 /126 W
----- 082242

R 081230Z FEB 75

FM AMEMBASSY DAKAR

TO SECSTATE WASHDC 9829

INFO AMEMBASSY ALGIERS

AMEMBASSY BELGRADE

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USEC BRUSSEL

AMEMBASSY CARACAS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY HELSINKI

USMISSION GENEVA

AMEMBASSY ISLAMABAD

AMEMBASSY LAGOS

AMEMBASSY TRIPOLI

AMEMBASSY LIMA

AMEMBASSY LONDON

AMEMBASSY LUXENBOURG

AMEMBASSY MADRID

AMEMBASSY NAIROBI

AMEMBASSY NEW DELHI

AMEMBASSY OSLO

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

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AMEMBASSY TOKYO

AMEMBASSY VIENNA

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E.O. 11652: N/A

TAGS: EGEN, ETRD, EAID, ENGR, SG, OPEC, XX

SUBJ: DAKAR CONFERENCE ON COMMODITIES (DCC): LDC

EFFORTS TO HELP THEMSELVES WITH OPEC OIL FUNDS

REF: DAKAR 0804 (NOTAL)

SUMMARY: PHILIPINES HAVE TABLED RESOLUTION AT DCC CALLING FOR SIX BILLION DOLLARS FROM OPEC COUNTRIES TO FINANCE PRICE STABILIZATION AND BUFFER STOCKS OF LDC COMMODITIES. ARAB RESPONSE HAS BEEN LUKEWARM. HOWEVER, KUWAIT AND OTHER ARAB STATES HAVE APPARENTLY DECIDED TO CUT POORER LDC'S IN IN OTHER MORE MODEST SOURCES OF OPEC FUNDS. NEVERTHELESS MANY LDC'S ARE AT THIS POINT DISAPPOINTED WITH LACK OF ARAB GENEROSITY. END SUMMARY.

1. PHILIPPINES PLACED BEFORE DAKAR COMMODITIES CONFERENCE FEBRUARY 4 RESOLUTION TO ESTABLISH FUND TO FINANCE BUFFER STOCKS AND SUPPORT RAW MATERIAL PRICES. RESOLUTION CALLS FOR LDC'S WITH SURPLUS FINANCIAL RESOURCES TO CONTRIBUTE SIX BILLION DOLLARS TO FUND. LDC'S WOULD THEN ASK DEVELOPED COUNTRIES MATCH SUM FOR TOTAL FUND OF TWELVE BILLION DOLLARS, BUT ORIGINAL FUND NOT TO BE CONTINGENT ON DC CONTRIBUTIONS.

2. UNDER SYSTEM BEING DEBATED, FLOOR PRICES WOULD BE ESTABLISHED FOR ALL COMMODITIES, AND LDC PRODUCERS WOULD BE ELIGIBLE BORROW FROM FUND TO EXTEND OF WITHHELD STOCKS VALUED AT FLOOR PRICE.

3. CONFERENCE SECGEN YOUSSEF SYLLA OF SENEGAL ANNOUNCED AT PRESS CONFERENCE FEBRUARY 6 THAT "MOST" OIL PRODUCER NATIONS WERE RESPONDING FAVORABLY TO PHILIPINO RESOLUTION. SYLLA CITED STATISTIC FROM ALGERIAN DELEGATE'S OPENING STATEMENT THAT OPEC NATIONS HAD PROVIDED TEN BILLION DOLLARS IN AID TO LDC'S IN 1974 COMPARED TO ONLY TWO BILLION DOLLARS FROM ALL DC'S. SYLLA ALSO ANNOUNCED THAT KUWAITI INVESTMENT

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FUND AID PREVIOUSLY RESTRICTED TO ARAB NATIONS WOULD OFFER FINANCIAL ASSISTANCE TO OTHER LDC'S, ESPECIALLY AFRICAN STATES. HE ALSO SAID ANOTHER TWO HUNDRED MILLION DOLLAR FUND WOULD BE INCREASED TO FOUR HUNDRED MILLION DOLLARS PRESUMABLY BY OPEN STATES, AND OPENED DIRECTLY TO THIRD-WORLD STATES DIRECTLY AFFECTED BY INCREASED PETROLEUM PRICES. (NOT CLEAR WHETHER THIS NEW FUND OR EXTENSION OF EXISTING FUND).

4. EMBASSY OFFICER ATTENDED PORTION OF GENERAL DEBATE ON FILIPINO RESOLUTION AND LDC "INDIVISIBLE SOLIDARITY" CITED BY SYLLA WAS NOT APPARENT. LDC'S, INCLUDING GHANA, MALI, IVORY COAST, INDIA AND UPPER VOLTA, CALLED FOR CONCRETE COMMITMENTS FROM OPEC MEMBERS, SAYING IF CONFERENCE WAS TO MAKE SERIES OF DEMANDS OF DC'SN LDC'S MUST ALSO SHOW THEIR WILLINGNESS TO SOLVE THEIR OWN PROBLEMS. WHILE ALGERIA APPEARED RECEPTIVE TO MEASURE, LIBYA, NIGERIA, IRAQ AND SAUDI ABABIA ALL SPOKE OF NEED TO STUDY MEASURE AND POSTPONE ANY DECISION. POOREST COUNTRIES THEN CALLED FOR STRONG COMMITMENT TO CONCEPT OF FUND WITH GROUP TO STUDY DETAILS OF IMPLEMENTATION. OPEC MEMBER DELEGATIONS REPLIED THAT THEY COULD NOT VOTE FOR ANY RESOLUTION UNTIL THEY KNEW DETAILS OF FUND TO BE ESTABLISHED AND THUS CONSIDERATION IF ISSUE SHOULD AWAIT OUTCOME OF DETAILED STUDY.

5. COMMENT: SOLIDARITY BETWEEN POOREST LDC'S AND OPEC NATIONS ALLUDED TO IN NUMEROUS SPEECHES AT DCC IS NOT SO CLEAR WHEN CONCRETE REQUESTS FOR SIGNIFICANT ASSISTANCE MADE OF OIL PRODUCERS. DESPITE SMALL OPEC NATIONS' CONTRIBUTIONS CITED BY SYLLA AND MUCH ARAB LIP-SERVICE TO LDC SOLIDARITY, MANY LDC NATIONS ARE GROWING IMPATIENT WITH OPEC NATIONS. THESE LDC STATES INCLUDED NOTABLY AFRICAN STATES WHICH BROKE RELATIONS WITH ISRAEL, BUT ALSO INDIANS, PAKISTANIS AND SOME LATIN AMERICAN DELEGATIONS. AGGREY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMODITIES, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975DAKAR00832
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750047-0372
From: DAKAR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750260/aaaacbtel
Line Count: 141
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 DAKAR 0804
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 04 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 APR 2003 by BoyleJA>; APPROVED <07 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DAKAR CONFERENCE ON COMMODITIES (DCC): LDC EFFORTS TO HELP THEMSELVES WITH OPEC OIL FUNDS
TAGS: EGEN, ETRD, EAID, ENRG, SG, XX, OPEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006